

DATE: June 24, 2004

TO: Natural Resources Board Members

FROM: Scott Hassett, Secretary

SUBJECT: Air Permit Improvement Initiative

I would like to announce Wisconsin's Air Permit Improvement Initiative. This will be one of my top priorities during the 2003-05 biennium. My Executive Assistant, Elizabeth Kluesner, will lead this effort which will involve a two pronged approach, including streamlining the permitting process for operation and construction permits in the Air Program and retooling Wisconsin's new source review regulations in light of the federal changes in this area. The charge for each team is attached.

Mary Jo Kopecky, the Deputy Administrator of the Air & Waste Division, has volunteered to head up the Air Permit Streamlining Project. Lloyd Eagan, the Director of the Air Management Program, will lead "Retooling Wisconsin's New Source Review Regulations." We intend on presenting draft rules to the Board for hearing authorization in December 2003 and final rules for adoption by May 2004.

Business owners have told me they support our environmental protection goals but can't afford the transaction costs. On the other hand, the Air Program is facing difficult decisions on how much of its ever-decreasing resources should be invested in process streamlining work versus ongoing regulatory responsibilities. I believe there is a solution to the problems that businesses and the Air Management Program are facing. We will figure out how to improve our efficiency in environmental regulation and program implementation while meeting the environmental protection needs of our citizens.

We intend to work closely with Wisconsin businesses and environmental groups as we conduct this effort. I will personally invite key business and environmental group leaders to participate in this effort. I will keep you posted on our progress in this area.

cc: Jordy Jordahl – Governor's Office
Elizabeth Kluesner – AD/5
Jay Hochmuth – AD/5
Mary Jo Kopecky – AD/5
Lloyd Eagan – AM/7

CHARGE FOR WISCONSIN'S NEW SOURCE REVIEW RETOOLING TEAM

- To revise the states New Source Review (NSR) rules in response to changes in the Federal NSR rules.
- To ensure that Wisconsin's New Source Permitting Regulations help protect areas that are meeting Ambient Air Quality Standards and prevent exacerbation of air quality problems in areas that are not meeting Air Quality Standards (non-attainment areas).
- To develop guidance, tools, forms and/or other materials, which will improve, permit applications, shorten the time period needed to get a complete application and reduce review time in general.
- To provide regulated facilities more flexibility in their construction permits in how they meet their legal clean air requirements.
- To revise the regulations in a way that is easier for DNR staff, regulated companies, public interest groups and the public to understand the requirements and participate in the process.
- To coordinate with the ongoing Operation Permit Streamlining effort to allow for using integrated information management systems, smart systems, and the Internet as major tools to implement the elements of this charge.
- To involve stakeholders in a collaborative manner in retooling Wisconsin's New Source Review Program.
- To establish performance criteria to allow the Air Management Program to measure whether it is achieving the elements of this charge.
- To develop draft rule language to present to the Natural Resources Board for hearing authorization by December 2003 and final rule language to present to the Board for adoption by May 2004.
- To work collaboratively with the Permit Streamlining Team in resolving common issues.

CHARGE FOR THE AIR PERMIT STREAMLINING TEAM

- To decrease the time it requires Air Permitting staff to process Air Operation and Air Construction permits from the time of initial permit application submittal until the permit is issued.
- To allow regulated facilities to more easily understand what information they are required to provide to obtain a permit, in order to support more complete permit applications on first submittals.
- To allow regulated facilities to more easily find out and to understand what Air regulations in Wisconsin apply to their facility and how such regulations translate into permit requirements.
- To make it easier for the public to understand the permitting process, Air regulations, and how they can participate in the permitting process.
- To increase the time Air Permitting staff has available to spend with regulated facilities to increase facility understanding of the requirements and conditions placed in their permits.
- To utilize integrated information management systems, smart systems, and the Internet as major tools to achieve the elements of this charge.
- To involve stakeholders in the actual design of the needed process improvements in a collaborative manner.
- To establish performance criteria to allow the Air Management Program to measure whether it is achieving the elements of this charge.
- To accomplish this work by June 30, 2005 by:
 - Utilizing and building on the work previously completed by the Air Program on permit streamlining.
 - Coordinating the new streamlining work with the New Source Review Retooling effort.
 - Developing a detailed project plan by April 30, 2004 that delineates the who/what/when/how needed to meet the goals of this project.
 - Securing necessary funding by July 1, 2004 in a s.16.515 request to support needed process improvement technologies.